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Record number of first home buyers rush market

NSW Premier Nathan Rees today welcomed new figures which show the highest number of first home buyers purchasing homes in NSW in two decades.

Latest Australian Bureau of Statistic figures show that in December last year 4602 first home buyers received finance approval for a new home, which is **37.9%** higher than the same month in 2007.

It was the highest figure since records began in 1991.

“The NSW housing sector has been hit hard by the global economic downturn,” Mr Rees said.

“That’s why these ABS figures are such great news and give families cause for hope in these difficult economic times.

“We’ve moved swiftly to work to insulate NSW against the global economic crisis.

“The figures show that decisive action by the NSW and Federal Governments, coupled with easing interest rates, has helped restore confidence among homebuyers and given a major boost to the housing sector.

“The NSW Government’s \$3,000 boost to the existing \$7,000 first home owners grant, coupled with the recent boost by the Federal Government, means people building a new home or buying a newly-constructed home now receive \$24,000 to help establish their new lives.

A total of \$76 million in assistance was provided by the NSW Government to first home buyers in December last year.

At the same time, the Government also announced a reduction in levies charged on new developments by up to \$64,000 per lot.

“We have acted to stimulate the economy, boost the housing industry and protect jobs.

“We’re delivering the necessary changes to create the right conditions for a recovery in the housing sector and improve housing affordability for families.”

Mr Rees said the ABS figures showed NSW also performed strongly compared to other states, indicating that our more generous first home owners grant and stamp duty concessions are helping.

“It’s encouraging that first home buyers are showing confidence and are entering the market in record numbers.”

In December first home buyers made up 26.9% of the total market which is the greatest proportion since July 2001 and increased from 25.3% in November 2008.

Overall, the number of finance approvals for owner-occupied housing in NSW increased by 10.8% compared to November 2008. This compares with a 5.2% increase in Victoria, a 5.9% increase in Queensland, a 5.1% increase in WA and a 6.4% increase nationally.

Mr Rees said the NSW Government would use every lever possible across the NSW economy to protect jobs in the face of the most severe financial and economic crisis since the Great Depression.

“Boosting the housing sector is just one part of the NSW Government’s plan to protect jobs and stimulate the economy.

“The NSW Government’s \$56 billion investment in infrastructure over the next four years - providing 150,000 jobs each year – will stand side by side the Federal Government’s economic stimulus package.

“We will invest in the future of NSW and invest in the people of NSW.”